SaskBuilds

Annual Report for 2016-17

saskbuilds.ca

Government of Saskatchewan

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Letters of Transmittal

The Honourable
Gordon S. Wyant, Q.C.
Minister Responsible and
Chair of SaskBuilds Board

Her Honour the Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

As Chair of SaskBuilds Board of Directors, I respectfully submit the Annual Report of SaskBuilds for the fiscal year ending March 31, 2017.

By building infrastructure in a way that maximizes value for taxpayers and is responsive to the needs of local businesses, we are ensuring that Saskatchewan's growth continues to better the quality of life for everyone in our province.

Sincerely,

Gordon S. Wyant, Q.C.
Minister Responsible and Chair of SaskBuilds Board

Rupen Pandya
President and Chief
Executive Officer
SaskBuilds

The Honourable Gordon S. Wyant, Q.C.
Minister Responsible and Chair of SaskBuilds Board

Dear Sir:

I have the honour of submitting the Annual Report of SaskBuilds Corporation for the fiscal year ending March 31, 2017.

As the President and Chief Executive Officer, I take responsibility for the financial administration and management control of SaskBuilds. Furthermore, I acknowledge my responsibility for this report and provide assurance on the accuracy, completeness, and reliability of the information contained within.

Rupen Pandya
President and Chief Executive Officer
SaskBuilds

Introduction

This annual report for SaskBuilds presents the corporation's results for the fiscal year ending March 31, 2017. It provides results of publicly committed strategies, key actions and performance measures identified in the *SaskBuilds Plan for 2016-17*. It also reflects progress toward commitments from the Government Direction for 2016-17, the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, throne speeches, and directives of SaskBuilds' Board.

The annual report demonstrates SaskBuilds' commitment to effective performance reporting, transparency and accountability to the public.

SaskBuilds was created as a Treasury Board Crown on October 17, 2012. This is its fifth annual report.

Alignment with Government's Direction

SaskBuilds' activities in 2016-17 align with Saskatchewan's vision and four goals:

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

- Sustaining growth and opportunities for Saskatchewan people
- Meeting the challenges of growth
- Securing a better quality of life for all Saskatchewan people
- Delivering responsive and responsible government

Together, all ministries and agencies support the achievement of Saskatchewan's four goals and work towards a secure and prosperous Saskatchewan.

SaskBuilds Overview

Provincial infrastructure, from highways to hospitals and schools, is part of our lives. SaskBuilds works to improve our province's infrastructure. In 2016-17, we continued to work with other government ministries and partners like school districts and health regions to ensure that we plan, procure, build and maintain provincial facilities, roads, and other assets in the most effective and efficient way.

Infrastructure does more than create jobs. It enables key programs and services for the people of our province. Helping Saskatchewan reach its vision to be the best place in Canada—to live, work, start a business, raise a family and build a life.

This past year, SaskBuilds continued to provide leadership in infrastructure and offer innovative solutions to challenges across government.

From the grand opening of The Meadows, a long-term care centre in Swift Current, to the work we do supporting planning and prioritizing future infrastructure projects and the innovative approach to training public servants and private sector companies in procurement best practices by Priority Saskatchewan, SaskBuilds is engaged in making positive changes benefitting individuals, taxpayers, families and businesses.

Vision

SaskBuilds' vision is strategic provincial growth through leadership in infrastructure.

Mission

SaskBuilds' mission is to drive innovation and efficiency in infrastructure planning, financing, delivery, and procurement modernization, to derive greater value, timeliness, and accountability for the Saskatchewan people.

Team

In 2016-17, SaskBuilds had a public service team of 22 full-time employees operating from our headquarters in Regina. Our small team of public servants is home to an array of expertise including: project management, accounting, engineering, policy, legal, and administration. SaskBuilds has a passion for solving problems and building teams to develop meaningful and innovative solutions.

Governance

SaskBuilds is led by a Board of Directors. Membership on the board as of March 31, 2017 included:

- Hon. Gordon S. Wyant, Q.C., Chair
- Hon. Scott Moe, Vice-Chair
- Hon. Kevin Doherty
- Hon. David Marit
- Ms. Laura Ross, MLA
- Mr. Eric Olauson, MLA
- Mr. Doug Steele, MLA

In Memory

SaskBuilds was saddened to learn of the passing of board member, Roger Parent, on November 29, 2016. Mr. Parent was committed to giving local companies a voice to improve government procurement. He also brought years of economic development and public sector experience to the board table. SaskBuilds acknowledges the contribution of MLA Parent.

Joint-use school under construction. Note the large, open common areas that provide teachers flexible learning environments.

Accomplishments

Major Infrastructure Projects

SaskBuilds led the procurement and is providing oversight on four active public-private partnership (P3) projects spanning North Battleford, Martensville, Warman, Saskatoon, Regina, the White Butte region, and Swift Current.

2016-17 made the first of these projects, The Meadows, a reality. A rigorous approach to planning, design and business case analysis paid off with the opening of government's first P3 – delivered on-time and on-budget.

The Meadows Opens

The Meadows is a long-term care home now open in Swift Current. In addition to conventional long-term care, it is now the home of specialized bariatric services, palliative care, and an adult day program.

The 225 bed complex is separated into 22 "houses" of 10-15 beds, each featuring its own front entrance, parking, kitchen, den, open-concept living room, dining room, and even its own colour scheme, and shares a patio and a spa with its neighbouring house. A common gym, zen room, event space, and walking track are open so all residents can stay active and young at heart.

Its world-class design, that residents participated in creating, reflects that residents are at home in The Meadows. The Meadows makes major advancements in long-term care design.

Environmentally Friendly

SaskBuilds projects have green design elements.

- Each Joint-Use School, Saskatchewan Hospital North Battleford (SHNB) and The Meadows is built to a LEED® Silver standard.
- The Regina Bypass Design Builders have been recycling highway asphalt when building and repaving.
- SHNB will have a "cogeneration" system. Cogeneration uses gas or propane to generate on-site electrical power and uses the heat from the generator to warm the building. It reduces SHNB's overall electrical consumption.
- The Meadows' roof is built with "solatubes" to conserve energy. Pieces of the roof collect and direct light inwards, increasing natural light for residents and automatically dimming artificial lighting.

Capital Planning Matures

SaskBuilds leads an Integrated Capital Planning process. It looks at long-term trends in communities' needs, supply chain and economic impacts of particular projects, options for asset recycling, maintenance requirements, lifecycle costs, and more.

Based on best practices, each capital project that is proposed within the Government of Saskatchewan goes through a rigorous business case analysis at SaskBuilds. SaskBuilds built new templates and an Integrated Capital Planning Manual that other jurisdictions are borrowing. The Capital Planning Community of Practice, facilitated by SaskBuilds, provides opportunities to share knowledge, align projects and apply lessons learned.

SaskBuilds knows, through research and experience, that investing time early in a project to understanding the problem (why are we building?) and determining the scope of the project (what are we building?) is critical to a successful project.

Priority Saskatchewan

We want Saskatchewan businesses to be successful. The Priority Saskatchewan initiative is moving forward to give companies a fair shot when competing for government contracts.

SaskBuilds, through Priority Saskatchewan, meets with and listens to concerns and opportunities from industry stakeholders. Using this input, Priority Saskatchewan works across government to make sure when government looks to buy something we do it in a way that brings value and innovative solutions to government and ensures that companies can compete in a fair way using modern procurement practices.

Recognition

In 2016-17, SaskBuilds was recognized for three major awards.

Silver Award for Government Agency of the Year in the Americas
2016 P3 Awards

In October, SaskBuilds was recognized among the hemisphere's preeminent infrastructure agencies. The annual P3 Awards are considered among the most important in the industry. In taking silver, SaskBuilds outperformed the national agencies of Brazil, Columbia, and Honduras, as well as state and city authorities from the United States and Canada. Before 2016, no Canadian group had ever won.

Silver Award for Infrastructure – The Meadows
2016 National Awards for Innovation and Excellence in Public-Private Partnerships

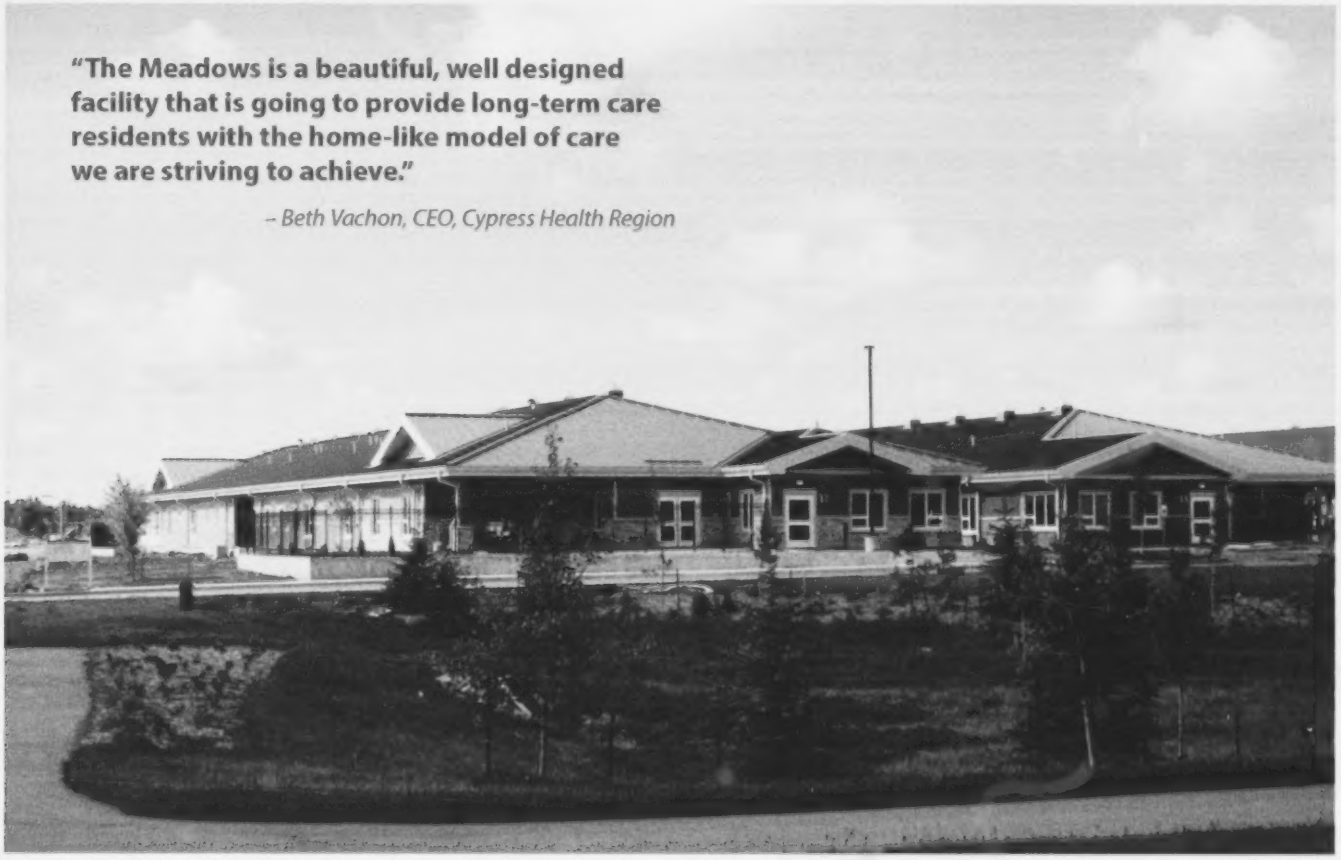
Our first P3 was well received. At its annual awards ceremony in November, the Canadian Council for Public-Private Partnerships (CCPPP) awarded The Meadows silver for national innovation and excellence.

2016 Premier's Award for Excellence in the Public Service – The Meadows
Innovation Category

Deputy Premier Don Morgan and Deputy Minister to the Premier Alanna Koch were on hand to honour The Meadows team for their "outstanding on-the-job contributions to the government and citizens of the province."

"The Meadows is a beautiful, well designed facility that is going to provide long-term care residents with the home-like model of care we are striving to achieve."

– Beth Vachon, CEO, Cypress Health Region



Progress in 2016-17

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

SaskBuilds' leadership on infrastructure starts at the beginning of a project. Through integrated capital planning, or the "ICP" process, we work with ministries across government to plan the next major infrastructure projects.

SaskBuilds Goal: Strategic capital planning that is based on innovation and excellence.

The goal of integrated capital planning is to support evidence-based decisions. SaskBuilds is working with its ministry partners through the Capital Planning Community of Practice, so that:

- All projects have robust business cases;
- The most important projects get attention first;
- More projects are delivered on time and on budget; and
- We have good and consistent information on the condition of what we own and strong projections on what we will need.

Key Actions and Results

SaskBuilds' officials review and provide advice on which government projects are both "shovel ready" and "shovel worthy" for government to make budget choices.

Lead quarterly community of practice meetings on capital planning and asset management	Complete and Ongoing
Deliver an integrated long-term capital plan	Delivered
Deliver an updated capital planning manual to decision makers	Delivered
Implement the capital planning process across government	Complete and Ongoing
Distribute capital planning tools across government	Complete and Ongoing

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

SaskBuilds led procurement and has oversight on four P3 projects. In 2016-17, The Meadows opened and construction continued for Saskatchewan Hospital North Battleford, Regina Bypass and Joint-Use Schools Projects.

SaskBuilds Goal: Complex infrastructure projects are delivered on-time and on-budget.

With all builds, we compare whether a P3 or a traditional government-led project offers better value for money. We work with third-party experts, from cost estimators to auditing firms, to make sure we use the best possible information.

P3s often offer value on large, complex projects. That's because the main cause of budget overruns is unexpected things happening, like bad weather or material arriving late. We call these "risks." All projects have risks. The larger the project, the larger the risks. When private companies take on project risks in a P3, taxpayers no longer have to budget for those problems. Risk management is at the heart of savings.

Key Actions and Results

	P3 Cost	Cost Without P3	Difference/Savings	Financial Advisors
The Meadows	$108.5M	$125M	$16.5M (13%)	Deloitte
SHNB	$407M	$497M	$90M (18%)	Ernst & Young
Regina Bypass	$1.88B	$2.26B	$380M (17%)	Ernst & Young
Joint-Use Schools	$635M	$735M	$100M (13%)	KPMG

The Meadows (Swift Current Long-Term Care Centre)

RFQ: August 2013

RFP: November 2013

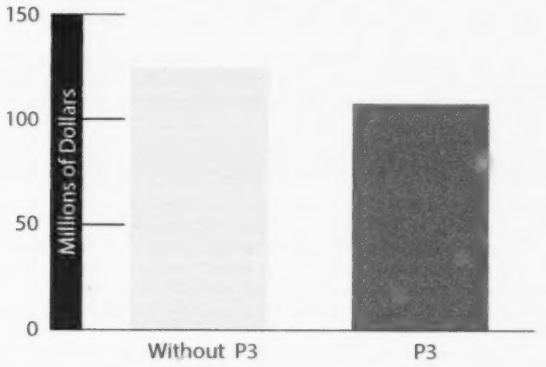
Contract signed: September 2014

Target completion: April 2016

Construction complete: April 2016

Projected construction impact: 500 jobs

☑ Finished on-time and on-budget.



Saskatchewan Hospital North Battleford

RFQ: April 2014

RFP: October 2014

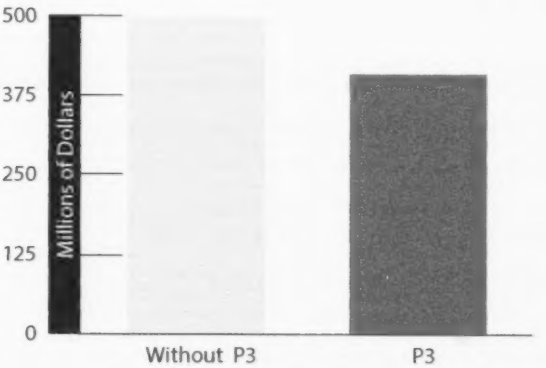
Contract signed: August 2015

Target completion: June 2018

Scheduled for completion: June 2018

Projected construction impact: 1500 jobs

☑ On-time and on-budget.



Regina Bypass

RFQ: May 2014

RFP: August 2014

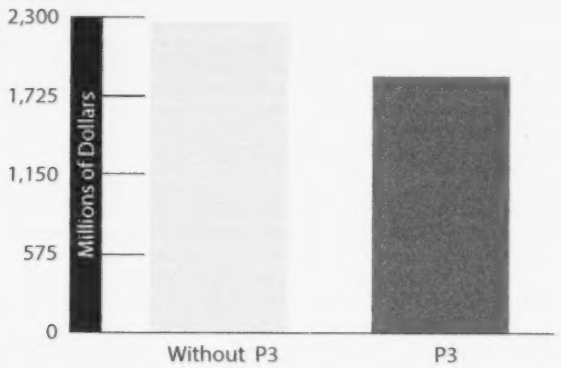
Contract signed: July 2015

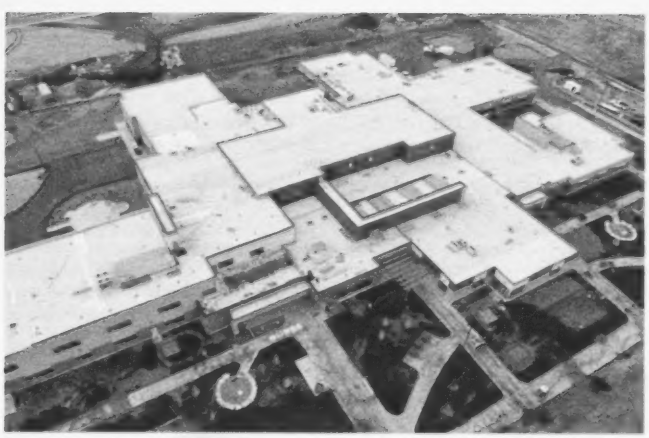
Target completion: Balgonie, White City and Tower Road overpasses for 2017; Pilot Butte overpass and remainder of project by 2019

Scheduled for completion: Balgonie, White City and Tower Road overpasses for 2017; Pilot Butte overpass moved ahead to 2018; remainder of project by 2019

Projected construction impact: 8200 jobs

☑ Ahead of schedule and on-budget.





Joint-Use Elementary Schools

RFQ: July 2014

RFP: October 2014

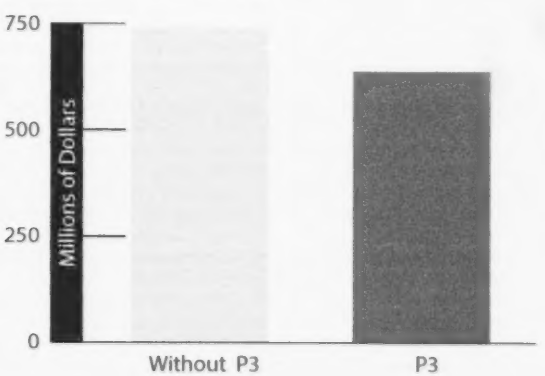
Contract signed: August 2015

Target completion: June 2017

Scheduled for completion: June 2017

Projected construction impact: 2300 jobs

☑ On-time and on-budget.



Goal: 100 per cent of projects yield positive value for money.

Value for money is how savings are measured. It means that when we choose the way to build something – a P3, a traditional Design Bid Build, or somewhere in between – it's the model that will save taxpayers money.

Each time SaskBuilds has led a P3, we've done so because it was the best option. We have compared doing the exact same project in different ways and found the P3 to be the best value. Total savings are over a half a billion dollars. That is money that can be freed up for other priorities or left in the pockets of taxpayers.

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

SaskBuilds Goal: Saskatchewan businesses participate on P3 construction – one or more per consortium team, and majority local including subcontractors.

Given the skill and strength we see from our private sector during consultations, it is no surprise Saskatchewan firms are the majority on each and every one of our projects.

We strongly encourage these partnerships. Before every P3, we host business-to-business networking events so companies can get to know players in the local supply chain.

Key Actions and Results

Local Content on P3s

Ultimately, government's relationship is with the consortium team. We run a procurement process to determine which group of companies offers the best value in response to our RFQ and RFP. Once the contract is awarded, it is their responsibility to execute that contract. In other words, SaskBuilds does not control who project teams choose as their subcontractors.

Nonetheless, we strongly encourage these partnerships and ask teams to report on the subcontracts they award. SaskBuilds uses a common method of tracking local participation across projects by:

- Applying the Priority Saskatchewan definition of a local company;
- Counting only firms at the contractor and subcontractor level;
- Excluding business operations of non-commercial public sector bodies; and
- Excluding firms that are not sufficiently part of the construction process.

Results are encouraging and speak to the competitiveness of Saskatchewan firms.

Project	# SK Companies	% SK Companies
The Meadows, Swift Current Long-Term Care Centre	33	72%
Saskatchewan Hospital North Battleford	25	60%
Regina Bypass	97	71%
Joint-Use Elementary Schools	79	72%

Business Community Support

Saskatchewan business leaders have also lent their support to our projects. Their feedback is further proof that P3s are creating local jobs and growing Saskatchewan's economy.

> *"I congratulate everyone who contributed their expertise to this project talent. From surveying to the masonry, The Meadows is an exhibit of Saskatchewan. That's the value in having so many Swift Current companies involved. We worked knowing The Meadows will be home to people we care about."*
>
> *– Clayton Wicks, CEO, Swift Current & District Chamber of Commerce*

Government Goals

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

SaskBuilds Goal: Effective and efficient public sector procurement that treats Saskatchewan vendors fairly.

Priority Saskatchewan was created in 2014 as a branch of SaskBuilds. In 2015, Priority Saskatchewan released an action plan to modernize procurement. Essentially, we asked industry for their advice on how the public sector could improve its procurements and set out to fix them.

That action plan is now well into its implementation phase. When it hit its second anniversary in March, the Saskatchewan Chamber of Commerce sent the following update in its newsletter:

> *The action plan promised more than a change to practices, it sought to alter the mindset of government procurement away from "lowest initial price" towards "best long term value." While changes to the culture of a profession take time, the Priority Saskatchewan agenda has taken important steps forward.*

Key Actions and Results

Best Value

The most important Priority Saskatchewan change is a shift towards "best value" instead of lowest upfront cost.

Imagine you work for government. You want somebody to replace a bridge near Beauval. The two contractors below submit bids. Which offer looks better?

Contractor A	Contractor B
Cost: $62,000	Cost: $55,000
Bridge experience: 20 years	Bridge experience: 2 years; entering new lines of business given slowdown in local economy. General contractor, but typically worked on industrial builds.
Past performance: generally on-schedule and on-budget	Past performance: not known
Innovations: has technology to recycle existing steel	Innovations: n/a
Materials: high quality asphalt that should last 10 years without major repaving; supply is local so readily available	Materials: lower quality asphalt that should last 6 years without major repaving
Safety: COR® certified	Safety: not known
Local knowledge: well aware of ecological and geotechnical factors that affect construction and life of bridges in northern Saskatchewan, like effects of winter	Local knowledge: not familiar with working in northern Saskatchewan climate and soils

Contractor A looks like better value. Their work will almost certainly last longer, require less maintenance, and be built right the first time – meaning it will stay on-time and on-budget. Though the second offer came in at a lower price, it does so by putting government on the hook for many project risks.

You may be surprised to learn that before Priority Saskatchewan, many parts of government had no choice. Ministries of Highways and Infrastructure and Central Services were legally required to choose the lowest bidder.

We rarely pick on price alone in our personal lives. For obvious reasons, we don't buy the cheapest possible house or hire the cheapest lawyer. It didn't make sense for taxpayers, either.

It was also a major frustration of industry. Keith Moen, Executive Director of the North Saskatoon Business Association, wrote in an opinion-editorial to the StarPhoenix:

> *"Historically, decisions based on low price alone have created systemic problems that are not exclusive to any particular level of government. Just as any customer has discretion to spend a justifiable higher amount for a good or service that's perceived to be of greater value, governments should have similar options.*
>
> *For example, although there are great deals to be found at "dollar" stores, it's unlikely we all exclusively equip our homes with their wares. We may choose to spend more on products from other vendors that are presumably of better quality. We are not forced to buy the cheapest - nor should governments."*

Priority Saskatchewan removed the requirement to pick lowest price with Bill 188, The Best Value in Procurement Act, 2015. The standard is now to pick the bid that offers government the "best value."

In 2016-17, attention moved to spreading awareness of action plan items – particularly best value.

First, we worked with the private sector to publish a new procurement guide. This is how Saskatchewan's Association of Consulting Engineering Companies (ACEC-SK) described the process on their website:

> *At a joint industry-government Priority Saskatchewan meeting in January, 2016, it was agreed that a Working Group would be formed to provide advisory input into the development of a government construction "how-to" procurement manual. The good news is that significant industry input has been both sought and provided, with ACEC-SK playing a significant role.*

A final draft was approved by industry and has since been distributed by the Priority Saskatchewan team. It is on the websites of SaskBuilds and SaskTenders.

To ensure people are using the guide and its best practices, Priority Saskatchewan began a series of training sessions. Public servants across the province came to full-day sessions to introduce the action plan and encourage the switch to best value. Condensed, half-day sessions were offered to the private sector to ensure common understanding of the new approach.

Complete the implementation of the Priority Saskatchewan action plan and report progress back to the private sector.

All action plan items are well advanced with a few that remain in progress. Vendor Performance Evaluation and Common Procurement Templates were with stakeholders for review at March 31, 2017. Additional notes on progress of items:

- **Enhance the SaskTenders portal:** Originally conceived as a collaborative project with Alberta and British Columbia, Saskatchewan is now proceeding with its own incremental improvements.
- **Corporate citizenship:** On hold at the request of industry. During consultation, it was agreed that no fair measure exists to compare different forms of corporate citizenship – i.e., donations to national charities vs. donations to local sports teams vs. partnerships with minority or Indigenous communities.
- **Defining a "Saskatchewan business":** Instruction from local business associations was that any business that has a Saskatchewan office, hires Saskatchewan workers, and (therefore) pays Saskatchewan taxes should be considered local. It was agreed in particular that the location of a "head office" is not the right measure for Saskatchewan.

Share procurement knowledge by participating in procurement events and internal communities of practice.

During the course of the year, more than 350 public sector employees, representing 30 organizations across ministries and Crown corporations, attended a one-day training session entitled, *Best Value Procurement*. Participants were introduced to the concept of best value, compared to the traditional lowest bid procurement model, and how to effectively implement best value in their procurement decisions.

A half-day training session was also provided to various private sector organizations with more than 250 participants receiving best value training.

Engage with 20 or more Saskatchewan businesses and government partners per quarter in ongoing dialogue.

Over the year, Priority Saskatchewan attended one-on-one meetings, events, open houses and conferences, engaging with an average of more than 25 Saskatchewan businesses and government partners per quarter. While various industries were in dialogue with Priority Saskatchewan, the majority represented construction and manufacturing organizations.

Moreover, Priority Saskatchewan successfully created awareness of best value and the government procurement initiative by presenting at more than 10 events held by First Nations groups, educational institutions, cities and municipalities, and other associations. Overall, the best value message reached more than 1,000 people during these events.

Research national and international best practice in procurement, and share learnings with our partners.

After completing national and international research on procurement best practices, Priority Saskatchewan published its *Procurement Guide – A Guide to Acquiring Goods, Services & Construction for Public Entities*. The procurement guide, available online, was developed to provide a framework on how public entities conduct their procurement. It includes a review of the public procurement process, public policies and trade agreements as well as useful tools for users such as the following:

- Scope of Work Writing Guide;
- Guide to Preparing a Request for Proposal; and
- Procurement Evaluation Guide.

Management's Responsibilities

Teresa Florizone, CPA, CMA
Vice President of Corporate Services and Chief Financial Officer, SaskBuilds

The accompanying financial statements, and related financial information throughout the Annual Report, has been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the integrity, objectivity and reliability of the financial statements. The preparation of the statements necessarily includes some amounts that are based on the best estimates and judgments of management.

SaskBuilds' management has established and maintains a system of internal controls that provides reasonable assurance that transactions are recorded and executed in compliance with legislation and authority; assets are safeguarded; there is an effective segregation of duties and responsibilities; and reliable financial records are maintained.

The Provincial Auditor has audited SaskBuilds' financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on the fairness of presentation of SaskBuilds' financial statements.

The Board of Directors of SaskBuilds is responsible for overseeing management's performance of its financial responsibilities and has reviewed and approved these financial statements.

Teresa Florizone, CPA, CMA
Vice President of Corporate Services and Chief Financial Officer
SaskBuilds

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of SaskBuilds Corporation, which comprise the statement of financial position as at March 31, 2017, and the statement of operations and accumulated surplus, statement of change in net financial assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of SaskBuilds Corporation as at March 31, 2017, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
June 14, 2017

Judy Ferguson, FCPA, FCA
Provincial Auditor

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2016-17 Financial Overview

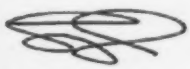
Statement 1

Statement of Financial Position
As at March 31

	2017	2016
Financial Assets		
Due From General Revenue Fund (Note 3)	$ 776,684	$ 4,924,745
Accounts Receivable	23,136	16,554
GST Receivable	260	42
	800,080	4,941,341
Liabilities		
Accounts Payable and Accrued Liabilities	537,482	558,183
Net Financial Assets (Statement 3)	262,598	4,383,158
Non-Financial Assets		
Prepaid Expenses	20,924	7,993
Tangible Capital Assets (Note 8)	71,041	119,818
	91,965	127,811
Accumulated Surplus (Statement 2)	$ 354,563	$ 4,510,969

(See accompanying notes to the financial statements)

Approved by the Board:



Honourable Gordon S. Wyant, Q.C.
Chair

Rupen Pandya
President and Chief Executive Officer

2016 – 2017 Financial Overview

Statement 2

Statement of Operations and Accumulated Surplus

For the year ended March 31

	2017 Budget (Note 4)	2017 Actual	2016 Actual
Revenue			
Transfers from the General Revenue Fund	$ 5,073,000	$ -	$ 13,427,000
Interest Earned (Note 3)	-	15,422	25,513
Miscellaneous Revenue	-	1,739	2,797
	5,073,000	17,161	13,455,310
Expenses (Note 7)			
Operating	4,073,000	3,428,089	3,700,356
Planning, Procurement and Implementation	2,500,000	745,478	8,909,259
	6,573,000	4,173,567	12,609,615
Annual (Deficit) Surplus (Statement 3)	(1,500,000)	(4,156,406)	845,695
Accumulated Surplus, Beginning of Year	4,510,969	4,510,969	3,665,274
Accumulated Surplus, End of Year (Statement 1)	$ 3,010,969	$ 354,563	$ 4,510,969

(See accompanying notes to the financial statements)

2016 – 2017 Financial Overview

Statement 3

Statement of Change in Net Financial Assets

For the year ended March 31

	2017	2016
Annual (Deficit) Surplus (Statement 2)	$ (4,156,406)	$ 845,695
Acquisition of Prepaid Expenses	(12,931)	(1,743)
Acquisition of Tangible Capital Assets (Note 8)	(2,091)	(6,027)
Amortization of Tangible Capital Assets (Note 8)	50,868	169,170
(Decrease) Increase in Financial Assets	(4,120,560)	1,007,095
Net Financial Assets, Beginning of Year	4,383,158	3,376,063
Net Financial Assets, End of Year (Statement 1)	$ 262,598	$ 4,383,158

(See accompanying notes to the financial statements)

2016 – 2017 Financial Overview

Statement 4

Statement of Cash Flows

For the year ended March 31

	2017	2016
Cash (used in) Provided by Operating Activities		
Annual (Deficit) Surplus	$ (4,156,406)	$ 845,695
Non-Cash Items		
Amortization of Tangible Capital Assets	50,868	169,170
Net Change in Cash Items		
(Increase) in Accounts Receivable	(6,582)	(6,811)
(Increase) Decrease in GST Receivable	(218)	52
(Increase) in Prepaid Expenses	(12,931)	(1,743)
(Decrease) in Accounts Payable and Accrued Liabilities	(20,701)	(950,024)
	(4,145,970)	56,339
Cash (used in) Capital Activities		
Purchase of Tangible Capital Assets	(2,091)	(6,027)
(Decrease) Increase in Cash Equivalents	(4,148,061)	50,312
Due from General Revenue Fund, Beginning of Year	4,924,745	4,874,433
Due from General Revenue Fund, End of Year (Statement 1)	$ 776,684	$ 4,924,745

(See accompanying notes to the financial statements)

2016 – 2017 Financial Overview

Notes to the Financial Statements

For the year ended March 31, 2017

1. **Status of SaskBuilds Corporation**

   SaskBuilds Corporation was established by Order in Council 550/2012 on October 17, 2012.

   SaskBuilds Corporation was created to integrate, coordinate and prioritize infrastructure spending of the Province of Saskatchewan. SaskBuilds provides advice and recommendations for advancing major infrastructure projects through innovative approaches to infrastructure development and alternative financing models such as public-private partnerships. SaskBuilds is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

   Priority Saskatchewan was created as a branch of SaskBuilds in June 2014 and is responsible for leading a coordinated approach to procurement process improvement across government and the Crown sector. This mandate will help ensure Saskatchewan businesses are treated fairly when bidding on government and Crown contracts.

2. **Significant Accounting Policies**

   These financial statements are prepared using Canadian Public Sector Accounting Standards and reflect the following significant accounting principles:

   a) **Revenue**

   Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue. Government transfers are recognized in the period the transfer is authorized and any eligibility criteria is met.

   b) **Expenses**

   Expenses represent the cost of resources consumed during the period.

   c) **Measurement Uncertainty**

   The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

   d) **Adoption of New Accounting Standards**

   SaskBuilds did not adopt any new Canadian Public Sector Accounting Standards during this period.

   e) **Tangible Capital Assets**

   Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Office Furniture and Equipment	5 years

Notes to the Financial Statements

For the year ended March 31, 2017

3. **Due from the General Revenue Fund**

   SaskBuilds' bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest received of $15,422 (2016 - $25,513) was calculated and paid quarterly on SaskBuilds' average daily account balance at a 30 day interest rate with an annual average of 0.54% (2016 - 0.60%).

4. **Budget Approval**

   The budget figures are presented for comparison purposes: the SaskBuilds 2016-17 Budget is per SaskBuilds - Vote 86, and acknowledged by SaskBuilds Board September 16, 2015.

5. **Related Parties**

   These financial statements include routine transactions with related parties. SaskBuilds is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

   The Ministry of Central Services provides purchasing, risk management, and records management to SaskBuilds without charge. The Ministry of Central Services charges accommodation and property management services under a lease agreement.

   The Ministry of Central Services, Information Technology Division provides SaskBuilds with information technology services under a service level agreement.

   The Public Service Commission provides SaskBuilds with human resource administration and payroll services under a service level agreement.

   The Ministry of Highways and Infrastructure provides SaskBuilds with financial and administration services under a service level agreement.

   Related party transactions to March 31, 2017 include the following:

	2017	2016
Accounts Receivable	$ 21,397	$ 16,479
Accounts Payable and Accrued Liabilities	$ 149,546	$ 228,415
Revenue	$ 15,422	$ 13,452,513
Expenses	$ 1,132,381	$ 1,168,362

   Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SaskBuilds pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

Notes to the Financial Statements

For the year ended March 31, 2017

6. Financial Instruments

SaskBuilds' financial instruments include: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

7. Expenses by Object

	2017	2016
a) Operating		
Administration	$ 323,976	$ 320,344
Advertising	13,226	2,913
Amortization	50,868	169,170
Professional Services	36,200	117,286
Rent of Space	388,757	411,006
Salaries and Benefits	2,582,292	2,660,263
Travel	32,770	19,374
	$ 3,428,089	$ 3,700,356
b) Planning, Procurement and Implementation		
Administration	$ 21,161	$ 37,380
External Professional Services	724,317	8,871,879
	$ 745,478	$ 8,909,259

8. Tangible Capital Assets

	Furniture & Equipment	Leasehold Improvements	2017 Totals	2016 Totals
Opening Cost	$ 252,249	$ 276,778	$ 529,027	$ 523,000
Additions during the year	2,091	-	2,091	6,027
Closing Cost	254,340	276,778	531,118	529,027
Opening Accumulated Amortization	132,431	276,778	409,209	240,039
Amortization for the year	50,868	-	50,868	169,170
Closing Accumulated Amortization	183,299	276,778	460,077	409,209
Net Book Value of Tangible Capital Assets	$ 71,041	$ -	$ 71,041	$ 119,818

For More Information

Would you like more information?

Call us at (306) 798-8014 or send an email to saskbuilds@gov.sk.ca.

Check out saskbuilds.ca for more information on capital planning, our projects or Priority Saskatchewan.

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We look forward to hearing from you!